



3 1761 11970961 6

CAI
YLG
-1991
B282

Atlantic Canada opportunities
Agency

CA1
YL16
- 1991
B 282

Background Paper

BP-282E

**THE ATLANTIC CANADA OPPORTUNITIES AGENCY:
THE ACTION AND COOPERATION PROGRAMS**

**Guy Beaumier
Economics Division**

November 1991



Library of
Parliament
Bibliothèque
du Parlement

**Research
Branch**

The Research Branch of the Library of Parliament works exclusively for Parliament, conducting research and providing information for Committees and Members of the Senate and the House of Commons. This service is extended without partisan bias in such forms as Reports, Background Papers and Issue Reviews. Research Officers in the Branch are also available for personal consultation in their respective fields of expertise.

©Minister of Supply and Services Canada 1992
Available in Canada through
your local bookseller
or by mail from
Canada Communication Group -- Publishing
Ottawa, Canada K1A 0S9

Catalogue No. YM32-2/282E
ISBN 0-660-14571-5

CE DOCUMENT EST AUSSI
PUBLIÉ EN FRANÇAIS



CANADA

LIBRARY OF PARLIAMENT
BIBLIOTHÈQUE DU PARLEMENT

THE ATLANTIC CANADA OPPORTUNITIES AGENCY:
THE ACTION AND COOPERATION PROGRAMS

INTRODUCTION

In 1987, the Atlantic Canada Opportunities Agency (ACOA or the Agency) set out to pursue four main activities sometimes known as the four pillars of ACOA: advocacy of Atlantic Canadian interests at the federal level; coordination of federal programs and policies in the region; the promotion of cooperation among all participants in the region's economy; and the promotion of business actions that develop economic opportunities. At the time of the Agency's creation, expectations were high that it would outperform any previous regional development initiatives of the federal government. Though all four activities had been carried out by that government before the creation of the Agency, only the Action Program and the Cooperation Program have readily comparable antecedents. This paper will examine the performance of the Action and Cooperation Programs, and compare it with earlier efforts.

BACKGROUND

ACOA has a broad mandate for economic development in Atlantic Canada that is derived from Part I of the *Government Organization Act, Atlantic Canada 1987* (otherwise known as the *Atlantic Canada Opportunities Agency Act*), which received Royal Assent on 18 August 1988. Other statutes with direct bearing on ACOA include the *Industrial and Regional Development Act*, the *Small Business Loans Act*, the *Special Areas Act* and the *Department of Regional Industrial Expansion Act*.

The Agency was created to foster, in a strategic partnership with the people of the region, the long-term economic development of Atlantic Canada through a renewal of entrepreneurial spirit. It has particular responsibility to encourage the development of new small and medium-sized enterprises. The Agency is also responsible for bringing a regional perspective to the design of national economic and social programs and to promote the interests of the region.

The overall objective of ACOA is to develop and implement programs that contribute to the long-term economic development of Atlantic Canada and to plan and coordinate federal activities fostering such growth. The Agency's structure is designed to separate those activities aimed at providing support to small and medium-sized businesses in the Atlantic region from those activities aimed at improving the environment for economic growth through cooperation with other levels of government. The Agency may also be called upon to become involved in special economic initiatives of the federal government.

THE ACTION PROGRAM

On its own, the Agency undertakes a number of activities designed to assist businesses in Atlantic Canada. The Action Program, which has several components, is the primary vehicle for delivering this assistance. The objectives of the Program are to foster entrepreneurship, to increase the rate of new business formation and to improve the competitiveness of small and medium-sized enterprises. The Program supersedes the Industrial and Regional Development Program and the Atlantic Enterprise Program, which were transferred to ACOA from the former Department of Regional Industrial Expansion. The Action Program provides support for business opportunities studies, new product and process development, capital investment, marketing initiatives, supplier development, and for non-commercial organizations that provide specialized business services.

The Agency also provides insurance for small business term loans from approved lenders under the *Small Business Loans Act* and for larger enterprises under the Atlantic Enterprise Loan Insurance Program.



Through Enterprise Cape Breton, the Agency offers term loans, at the best Federal Development Bank Loan Rate, to firms that cannot obtain reasonable financing from private sector sources. Finally, under the Atlantic Canada Supplier Development Program (ACSDP) the Agency seeks to improve the ability of Atlantic Canada businesses to bid on public sector contracts. ACSDP assistance is available to help firms improve their quality assurance, technology, and marketing capabilities.

As of November 1990, a total of \$676.6 million of assistance had been committed for business development in the region, and an additional \$140 million of loan insurance had been provided. A total of 7,792 applications were approved under these activities.⁽¹⁾

A key feature of ACQA's Action Program is its recognition that entrepreneurship plays a central role in economic development. Individuals and private sector firms need to be encouraged to provide the energy, the skills and the imagination to conceive and organize new economic activities. Earlier federal programs were characterised by centralized management, inflexible operating rules, and complex approval criteria; they did not appear to provide the necessary incentives because they had become largely inaccessible to Atlantic small businesses. ACQA's response was to create the Action Program, a program specifically designed for small businesses that have investment projects with eligible capital costs of \$20 million or less. In a major review of the program, carried out by DPA Group Inc. after the first year of operation, Donald J. Savoie concluded that, using non-traditional approaches to the management and delivery of assistance, "ACQA's account managers were encouraged to use their own judgement when assessing a project's commercial viability and its possible economic benefits."⁽²⁾ Furthermore, managers were "encouraged to take reasonable and responsible risks and to work with the entrepreneur so as to make viable business ideas work."⁽³⁾ The program was described as:

(1) Atlantic Canada Opportunities Agency, *1991-92 Main Estimates, Part III*.

(2) Donald J. Savoie, *ACQA: Transition to Maturity*, Atlantic Canada Opportunities Agency, Moncton, 1991, p. 36.

(3) *Ibid.*

... a departure from previous economic development efforts in the region as a result of factors such as its provincially-based decision-making authority, program flexibility and the tailoring of application requirements to the size of the project. (4)

The Action Program's popularity with the business community is evident from Table I. Through this program, ACOA is reaching a greater number of businesses than its predecessors. In 1988-89 it received about 15 times the average number of applications received under the older programs and gave almost 20 times the average number of approvals than were given in the 1984-85 to 1987-88 period. Modifications to the program criteria were introduced in May 1989 and resulted in a sharp decline in applications, to 4,075; however, approvals were still close to 10 times the average for earlier years.

ACOA not only serves a larger business clientele, but also provides a larger amount of assistance than its predecessors. Table II indicates that the level of federal assistance in 1989-90 in dollar terms substantially exceeded earlier efforts. In that year, federal expenditures on business incentives were five times the average in the 1984-85 to 1986-87 period.

Another feature that distinguishes the Action Program from earlier federal initiatives is that a wider range of industries can qualify for assistance. Earlier federal regional development programs were almost exclusively aimed at promoting the development of the manufacturing sector, where, unfortunately, the best opportunities for economic development in Atlantic Canada did not always occur. The Action Program was designed therefore to provide business assistance to a broader range of industrial sectors. Table III shows the distribution of assistance by industrial sector under the Action Program. In spite of the program's aim of assisting a wide range of industrial sectors, government assistance to business remains highly concentrated in the manufacturing and tourism sectors, the traditional recipients of federal regional development funding.

Under past federal regional development initiatives, a fairly broad range of activities could qualify for federal assistance.

(4) *Ibid.*, p. 37.



TABLE I

FEDERAL ASSISTANCE TO BUSINESS
ATLANTIC REGION
APPLICATIONS RECEIVED AND APPROVED

| Fiscal Year | ACOA Program | | Predecessor Programs | |
|-------------------|-----------------|-----------------|----------------------|-----------------|
| | <u>received</u> | <u>approved</u> | <u>received</u> | <u>approved</u> |
| 1984-85 | - | - | 598 | 232 |
| 1985-86 | - | - | 407 | 167 |
| 1986-87 | - | - | 761 | 388 |
| 1987-88 (Feb-Mar) | 1,278 | - | 863 | 361 |
| 1988-89 | 9,864 | 5,107 | - | - |
| 1989-90 | 4,075 | 2,212 | - | - |
| 1990-91 (Apr-Jun) | 957 | 532 | - | - |

Source: Library of Parliament and Donald J. Savoie, *ACOA, Transition to Maturity*, Atlantic Canada Opportunities Agency, Moncton, 1991.

TABLE II

BUSINESS INCENTIVES
FEDERAL EXPENDITURES
ATLANTIC REGION
(millions of dollars)

| <u>Fiscal Year</u> | <u>ACOA Action Program</u> | <u>Department of Industry, Science and Technology</u> |
|--------------------|----------------------------|-----------------------------------------------------------|
| 1984-85 | - | 26.4 |
| 1985-86 | - | 38.1 |
| 1986-87 | - | 71.2 |
| 1987-88 | 41.6 | 21.3 |
| 1988-89 | 161.2 | 25.4 |
| 1989-90 | 232.2 | 15.4 |

Source: Library of Parliament and Donald J. Savoie, *ACOA, Transition to Maturity*, Atlantic Canada Opportunities Agency, Moncton, 1991.

The Action Program also allows a wide range of activities to qualify. Table IV provides a breakdown of funding by type of activity. At this time most of the program's funding is going to two categories: non-profit organizations providing specialized services to small businesses (\$130.31 million); and individuals establishing new businesses (\$273.98 million). Funding non-profit organizations is a relatively novel approach to regional development in Atlantic Canada. Savoie reports that about 60% of the \$130 million has gone to universities, 25% to local development groups and the remainder to business associations.⁽⁵⁾ Another interesting use for Action Program funds is the \$28.3 million spent on innovation, a significant increase in spending on this element. According to Savoie, almost "five times as many innovation projects have been approved annually under the Action Program as was the case under its predecessors."⁽⁶⁾

Federal assistance programs approval decisions were at one time usually made in Ottawa, or occasionally in the regional offices. That practice is believed to have contributed to the relatively low level of activity in Atlantic Canada under those programs. ACOA was deliberately set up with decentralized operations so that decisions to provide assistance could be taken by officials who were more closely attuned to the needs of the local business community. A breakdown of approvals by area for the Action Program is shown in Table V. As of the end of June 1990, New Brunswick led all areas in the level of activity, with 1,912 undertakings approved.

On the whole, the Action Program appears to be better than earlier federal regional development instruments as a mechanism for delivering federal business assistance in Atlantic Canada. In his recent review of ACOA's performance, however, Savoie identifies a number of concerns with the Program.⁽⁷⁾ Primarily, these concerns centre on administrative matters such as changes in the criteria and the delay in obtaining project approval. Of greater concern is the possibility that

(5) Savoie (1991), p. 40.

(6) *Ibid.*

(7) *Ibid.*, p. 42-44.



TABLE III

ACTION PROGRAM APPROVALS BY SECTOR
AS OF 30 JUNE 1990

| <u>Industrial Sector</u> | <u>Contributions</u> (\$ millions) | <u>Loan Insurance</u> (\$ millions) | <u>Undertakings</u> |
|------------------------------|---------------------------------------|--------------------------------------------|---------------------|
| Business services | 74.36 | 0.99 | 580 |
| Manufacturing | 307.90 | 83.91 | 2,575 |
| Services | 32.22 | 4.75 | 363 |
| Primary | 50.51 | 22.33 | 593 |
| Tourism | 114.53 | 34.50 | 1,001 |
| Other | 85.97 | 1.42 | 531 |

Source: Library of Parliament and Donald J. Savoie, *ACOA, Transition to Maturity*, Atlantic Canada Opportunities Agency, Moncton, 1991.

TABLE IV

ACOA ACTION PROGRAM
CONTRIBUTIONS BY ELEMENT
AS OF 9 JULY 1990

| <u>Element</u> | <u>Amount</u> (\$ million) | <u>Approvals</u> |
|----------------------|-------------------------------|------------------|
| Business support | 130.31 | 538 |
| Establishment | 273.98 | 1,192 |
| Expansion | 95.44 | 1,046 |
| Innovation | 28.30 | 170 |
| Marketing | 2.70 | 63 |
| Modernization | 91.32 | 1,132 |
| New product | 26.02 | 234 |
| Business studies | 17.29 | 1,263 |
| Supplier development | 0.15 | 5 |
| Total | 665.51 | 5,643 |

Source: Library of Parliament and Donald J. Savoie, *ACOA, Transition to Maturity*, Atlantic Canada Opportunities Agency, Moncton, 1991.

TABLE V
ACOA'S ACTION PROGRAM APPROVALS BY REGION
AS OF 30 JUNE 1990

| <u>Area Undertakings</u> | <u>Approved</u> |
|--------------------------|-----------------|
| Head Office | 36 |
| New Brunswick | 1,912 |
| Prince Edward Island | 718 |
| Nova Scotia | 1,316 |
| Newfoundland | 1,203 |
| Enterprise Cape Breton | 458 |
| Total | 5,643 |

Source: Library of Parliament and Donald J. Savoie, *ACOA, Transition to Maturity*, Atlantic Canada Opportunities Agency, Moncton, 1991.

economic assistance measures in other regions of the country might offset the incentives available under the Action Program. Of equal concern is the fear that the entire program could be challenged under the Canada-U.S. Free Trade Agreement.

THE COOPERATION PROGRAM

As part of its regional development efforts, the federal government entered into a number of economic agreements with the provincial governments beginning in the mid-1970s. At first these agreements were known as the General Development Agreements (GDAs). After 1984, new agreements were known as the Economic and Regional Development Agreements (ERDAs). They are umbrella agreements under which the federal and provincial governments work together for the promotion of regional or industrial development. Central to each ERDA is the set of criteria that spells out the framework within which the two levels of government can cooperate to maximize growth. The specifics of each ERDA reflect the priorities and concerns of individual provinces. When joint undertakings are identified they are carried out through subsidiary agreements. Such subsidiary agreements have been signed with each province and now cover a wide range of sectoral and regional concerns. Table VI shows the distribution of subsidiary agreements for Atlantic Canada by topic. Table VII shows the distribution of ERDA subsidiary agreements by province.



TABLE VI

DISTRIBUTION OF ERDA SUB-AGREEMENTS IN ATLANTIC CANADA BY TOPIC

| <u>Topic Covered</u> | <u>% of Total</u> |
|-------------------------------------|-------------------|
| Development of sub-provincial areas | 12 |
| Pulp, Paper and Forest Resources | 11 |
| Agri-food Industries | 10 |
| Mineral Development | 10 |
| Science, Technology and Innovation | 10 |
| Tourism | 10 |
| Transportation and Communication | 9 |
| Manufacturing Incentives | 8 |
| Planning | 7 |
| Others | 12 |

Source: Library of Parliament and Department of Regional Industrial Expansion, Ottawa.

TABLE VII

ERDA AGREEMENTS IN ATLANTIC CANADA BY PROVINCE

| | <u>Number of Agreements Signed</u> | <u>Federal Share of Funding (\$ million)</u> | <u>Total Value of Agreements (\$ million)</u> |
|----------------------|--------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------|
| Newfoundland | 10 | 268.70 | 404.03 |
| Prince Edward Island | 12 | 103.68 | 160.85 |
| Nova Scotia | 10 | 279.02 | 404.94 |
| New Brunswick | 9 | 235.72 | 361.78 |
| Total | 41 | 887.12 | 1,331.60 |

Source: Library of Parliament and Department of Regional Industrial Expansion, 1988.

As of January 1987, the federal government had signed 41 ERDA subsidiary agreements with the Atlantic provinces, valued at \$1.3 billion. The federal share amounted to \$887.1 million, or 67% of the total.

When ACOA was created it assumed responsibility for the Atlantic Canada GDAs and ERDAs, respectively the first and second generation of federal-provincial agreements. Subsequently, the Agency and the provinces established a new series of agreements (known as the Cooperation Agreements), which can be viewed as a third generation of federal-provincial development agreements.

The Cooperation Program provides the policy framework and strategic federal plan for federal-provincial agreements under the four Atlantic Economic and Regional Development Agreements, and for direct federal initiatives with private sector firms, organizations and associations. Subsidiary agreements signed under the GDAs and the ERDAs were placed under the Cooperation Program umbrella. These activities are carried out within a strategic policy framework that encompasses both new federal-provincial initiatives and those already in place. ACOA has a major responsibility to lead the planning, design, and negotiation of activities under the Cooperation Program, and to oversee their implementation.

In his evaluation of ACOA, Donald Savoie alludes to weaknesses in the process that make ERDAs less attractive to the federal government.⁽⁸⁾ They are considered to be too attuned to provincial priorities and as not providing the federal government with sufficient visibility in the region. As well, the subsidiary agreements are considered too expensive for a government that is looking for ways to reduce its expenditures. ERDAs duplicate some provincial programs and may simply be substituting federal spending for provincial spending. In December 1986, a moratorium was placed on the approval of any further ERDA subsidiary agreements. This moratorium on joint action was lifted in the fall of 1987 with the creation of the Cooperation Agreements.

(8) Savoie (1991), p. 46.



The new federal-provincial development framework is more attuned to federal priorities for the region, and considers more explicitly the roles, mandates and programs of all federal and provincial agencies in the region. Funding is available only for those initiatives that support the five priority themes of the program:

- i) entrepreneurship promotion
- ii) market and trade development;
- iii) innovation and technology transfer;
- iv) human resource development; and
- v) environmental protection.

Three supporting themes were also established:

- i) resource competitiveness
- ii) rural diversification
- iii) strategic infrastructure

Annual expenditures for the Cooperation Program, including spending on the existing ERDAs, are reported in Table VIII, while expenditures by theme and province are shown in Table IX.

A total of 25 agreements had been signed as of November 1990, involving a federal contribution of \$325.5 million.⁽⁹⁾ Another 15 were still being negotiated in 1991-92. The 40 Cooperation Agreements will represent a federal contribution of \$470 million. When combined with outstanding GDA, ERDA and highway agreements,⁽¹⁰⁾ the projected federal expenditure on joint development in the period 1991-96 will reach \$585 million.⁽¹¹⁾ This amount is considerably less than the \$887.12 allocated under the first five years of the ERDA program.

(9) ACOA 1991-92 Main Estimates, Part III.

(10) According to its 1991-92 Estimates, the Agency still has some \$220 million to spend under the ERDA sub-agreements and two high agreements.

(11) ACOA 1991-92 Main Estimates, Part III.

TABLE VIII

ACOA'S COOPERATION PROGRAM
RESOURCE SUMMARY 1989-90 TO 1991-92
(dollars)

| <u>Fiscal Year</u> | <u>Expenditures</u> |
|--------------------|---------------------|
| 1989-90 (actual) | 45,137,000 |
| 1990-91 (forecast) | 70,196,000 |
| 1991-92 (estimate) | 109,785,000 |

Source: ACOA 1991-92 Estimates, Part III.

TABLE IX

ATLANTIC CANADA COOPERATION AGREEMENTS
SPENDING BY THEME AND PROVINCE
(\$ millions)

| <u>Key and Supporting Themes</u> | <u>Newfoundland</u> | <u>New Brunswick</u> | <u>Nova Scotia</u> | <u>Prince Edward Island</u> |
|------------------------------------------|---------------------|--------------------------|------------------------|-------------------------------------|
| Entrepreneurship | 14.34 | 5.00 | 2.55 | 2.82 |
| Innovation and Technology Transfer | 18.20 | 12.55 | 6.20 | 11.75 |
| Marketing and Trade Development | 8.68 | 6.98 | 3.15 | 10.79 |
| Human Resources Development | 11.85 | 6.65 | 0.50 | 2.97 |
| Environment | 12.65 | 3.05 | 9.60 | 4.30 |
| Resource Competitiveness | 56.91 | 56.68 | 26.21 | 5.74 |
| Rural Diversification | 8.92 | 0.00 | 0.00 | 1.52 |
| Strategic Infrastructure | 12.67 | 8.19 | 7.80 | 14.87 |

Source: Library of Parliament and Donald J. Savoie, ACOA: *Transition to Maturity*, Atlantic Canada Opportunities Agency, Moncton, 1991.

That the Cooperation Program expenditures are lower than those for the the ERDA program is not surprising in view of the intent to keep federal spending under control. Also the approval process for new initiatives is designed to challenge and prioritize all proposals for funding received from the provinces and other federal government departments.⁽¹²⁾ These other government agencies have to demonstrate that their proposals represent an appropriate use of federal regional development dollars, so that ACOA funds are less likely to go to activities that should be supported by other agencies.

The federal government's regional development effort provides for substantial amounts of funding. In June 1987, the government originally committed \$1.05 billion of new resources for ACOA, over and above what was already committed for regional development in Atlantic Canada. In April 1989, this amount was combined with existing commitments to establish an overall allotment of \$2.125 billion for the period April 1989 to March 1994. About \$880 million has been spent through the ERDA program as compared to \$585 million allocated under the Cooperation Program. Even if we ignore the effects of inflation over this period, it is evident that the federal government will be spending less on federal-provincial agreements than it did in the immediate past.

DUPLICATION OF EFFORT

It is sometimes said that ACOA's programs duplicate the efforts of provincial governments to provide economic development services in Atlantic Canada. In many instances, however, what appears to be duplication is really a set of complementary services, with each level of government adapting its program to fill a niche in the provision of business assistance. In deciding to provide funding on any particular project, governments normally require full disclosure of any other sources of financial assistance for that project. Though it is permissible for ACOA to provide support in addition to that coming from other government

(12) Savoie (1991), p. 47.

sources (both federal and provincial), it usually operates within guidelines that limit the level of support from public sector sources. Therefore, while ACOA is allowed to top up assistance, it is not likely to provide 100% support to private business projects. In the case of a non-profit private organization, however, ACOA may fully fund a project that it deems of benefit to the business environment of the region.

Examples of provincial programs that offer assistance similar to ACOA are provided below.⁽¹³⁾ Only one example was selected from each of the region's four provinces.

A. Newfoundland

- Market and Product Development Program

Non-repayable grants of up to 50% of total project cost (to a maximum of \$50,000) are available on a cost-sharing basis for eligible activities. These include research and development of a new product or process, promoting new products or services or existing products or services in new markets, product modification, designing and producing labels and packages, travel accommodation and other marketing expenses. Individuals, and small- and medium-sized companies involved in manufacturing, processing and consulting fields are the target group.

Under the Action Program ACOA offers similar assistance to small and medium-sized firms. ACOA considers the promotion of business R&D an important element in the development of the Atlantic economy.

B. Prince Edward Island

- Small Business Enhancement Program

This program aims to develop new businesses and job opportunities in small business. Eligible projects must involve modernization, expansion and/or the creation of a new operation within the

(13) Examples were selected from: *Government Assistance for Canadian Business*, Thomson Professional Publishing Canada, Scarborough, Ontario, 1991.



manufacturing, processing or service sector of the province. Up to \$30,000 may be available in the form of a conditional contribution towards the capital cost of a project. Total project costs cannot exceed \$100,000.

ACOA can fund similar and slightly larger projects under its Action Program.

C. Nova Scotia

- Business Futures Program: Product Development

The purpose of this program is to assist companies develop innovative products, packaging and marketing literature in order to be competitive in world markets. A grant covering 50% of eligible consultant design fees to a maximum of \$7,500 for product development and 50% of fees to a maximum of \$2,000 for packaging or marketing literature, is available through the program.

Innovation assistance is an important element in ACOA's Action Program, in which the range of eligible activities is wider and the level of assistance is greater.

D. New Brunswick

- Small Industry Financial Assistance Program

This program is designed to encourage and assist entrepreneurs establish small industries and to modernize or expand those already in place. Up to \$75,000 is available to firms with less than \$1.5 million in annual sales. The applicant must provide at least 20% of the equity in the project. All contributions are for approved capital cost and not for operational costs.

The establishment of new enterprises or the expansion of existing firms is also a regular feature of ACOA's Action Program.

Although ACOA and a provincial government can provide similar assistance, as outlined in the programs above, we cannot determine

actual practice without reviewing individual project files. Such a review would also reveal whether the Agency and the provincial government act cooperatively when approached by entrepreneurs.

Other forms of duplication can occur. First, ACOA programs may cover the same area as other federal programs. This type of duplication is expected to disappear over time as the Agency has responsibility for coordinating all federal development efforts in Atlantic Canada. In one striking example of duplication, ERDA subsidiary agreements and the Cooperation Agreements show considerable overlap. The ERDAs are expected to lapse by 1993, however, after which time only the Cooperation Agreements will be available.

A second type of duplication occurs when federal and provincial programs are aimed at the same client group. It must be remembered that while there may be this type of duplication in one province, this may not be the case in all of the Atlantic provinces. Also, one objective of the Cooperation Agreement program is to coordinate federal and provincial objectives so as to eliminate such duplication. As more Cooperation Agreements are signed over time, the degree of overlap should diminish. Finally, while both levels of government may aim their assistance at the same client group, each brings different resources to bear and, if efforts are coordinated, each will be able to complement the efforts of the other. In such instances we will no longer have duplication, but rather a joint effort addressing different aspects of promoting economic development in Atlantic Canada.

CONCLUDING COMMENTS

As economic forces alter the pattern of regional development in Canada, government policy will have to change. The federal government, through ACOA, has formulated regional development policies that are sufficiently flexible and effective to capture the benefits of globalization of the world's economies. At present, ACOA has been reasonably successful in its undertakings. Its programs and policies appear to be appropriate to meet the challenges that Atlantic Canada can expect in the 1990s. This is



not to say that the Agency will not have to change; a changing environment demands constant revisions to an institution's policies and programs.

Certain questions cannot be answered adequately. In particular, there are insufficient data to allow evaluation of ACOA programs on the basis of the number of jobs created or the number of firms that continue to operate successfully as a result of ACOA assistance. This shortcoming has afflicted all studies of development incentives in the region ever since such programs were first implemented. The House of Commons Standing Committee on Industry, Science and Technology, Regional and Northern Development is aware of this problem and in its last review of the Agency's Estimates, began to push the ACOA for better data so that a proper follow-up on its activities can be undertaken on behalf of Parliament. It is hoped that information on ACOA's impact on permanent job creation, the diversity of employment opportunities, and the success of firms receiving assistance will soon be available.



ACCO®

ACCOPRESS™



| | | |
|----------|-------|----------|
| YELLOW | 25070 | JAUNE |
| *BLACK | 25071 | NOIR* |
| *BLUE | 25072 | BLEU* |
| RL. BLUE | 25073 | RL. BLEU |
| *GREY | 25074 | GRIS* |
| GREEN | 25075 | VERT |
| RUST | 25078 | ROUILLE |
| EX RED | 25079 | ROUGE |

**ACCO CANADA INC.
WILLOWDALE, ONTARIO**

*** INDICATES
75% RECYCLED
25% POST-
CONSUMER FIBRE**



***SIGNIFIE 75 %
FIBRES RECYCLÉES,
25 % DÉCHETS DE
CONSOMMATION**

**BALANCE OF PRODUCTS
25% RECYCLED**

**AUTRES PRODUITS:
25 % FIBRES RECYCLÉES**

